

107TH CONGRESS  
1ST SESSION

# H. R. 2431

To amend the Internal Revenue Code of 1986 to provide that certain amounts received by electric energy, gas, or steam utilities shall be excluded from gross income as contributions to capital.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. WATKINS of Oklahoma introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide that certain amounts received by electric energy, gas, or steam utilities shall be excluded from gross income as contributions to capital.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN AMOUNTS RECEIVED BY ELECTRIC**  
4 **ENERGY, GAS, OR STEAM UTILITIES EX-**  
5 **CLUDED FROM GROSS INCOME AS CONTRIBU-**  
6 **TIONS TO CAPITAL.**

7 (a) IN GENERAL.—Subsection (c) of section 118 of  
8 the Internal Revenue Code of 1986 (relating to special

1 rules for water and sewerage disposal utilities) is  
2 amended—

3 (1) in the heading, by striking “WATER AND  
4 SEWERAGE DISPOSAL” and inserting “CERTAIN”,

5 (2) in paragraph (1)—

6 (A) in the matter preceding paragraph (1),  
7 by striking “water or” and inserting “electric  
8 energy, gas (through a local distribution system  
9 or transportation by pipeline), steam, water,  
10 or”, and

11 (B) in subparagraph (B), by striking  
12 “water or” and inserting “electric energy, gas,  
13 steam, water, or”,

14 (3) in paragraph (2)(A)(ii), by striking “water  
15 or” and inserting “electric energy, gas, steam,  
16 water, or”, and

17 (4) in paragraph (3)—

18 (A) in subparagraph (A), by inserting  
19 “such term shall include amounts paid as cus-  
20 tomer connection fees (including amounts paid  
21 to connect the customer’s line to an electric  
22 line, a gas main, a steam line, or a main water  
23 or sewer line) and” after “except that”, and

1                   (B) in subparagraph (C), by striking  
2                   “water or” and inserting “electric energy, gas,  
3                   steam, water, or”.

4           (b) EFFECTIVE DATE.—The amendments made by  
5 subsection (a) shall apply to amounts received after the  
6 date of the enactment of this Act.

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